

CARL J. KUNASEK
CHAIRMAN
JIM IRVIN
COMMISSIONER
WILLIAM A. MUNDELL
COMMISSIONER



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BRIAN C. McNEIL
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

DATE: October 24, 2000

DOCKET NOS.: W-03912A-00-0591 and W-03843A-00-0591

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Jane Rodda. The recommendation has been filed in the form of an Opinion and Order on:

CHARLOTTE ERIKSON dba ERIKSON ENTERPRISES/
SUNIZONA WATER COMPANY
(SALE/TRANSFER CC&N)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

NOVEMBER 2, 2000

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

NOVEMBER 7, 2000 and NOVEMBER 8, 2000

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250.


BRIAN C. McNEIL
EXECUTIVE SECRETARY

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 CARL J. KUNASEK
CHAIRMAN

3 JIM IRVIN
COMMISSIONER

4 WILLIAM A. MUNDELL
COMMISSIONER

5
6 IN THE MATTER OF THE APPLICATION OF
CHARLOTTE ERIKSON DBA ERIKSON
7 ENTERPRISES/SUNIZONA WATER COMPANY
FOR THE SALE OF ASSETS AND TRANSFER OF
8 ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. W-03912A-00-0591

DOCKET NO. W-03843A-00-0591

DECISION NO. _____

9 **OPINION AND ORDER**

10 DATE OF HEARING: October 20, 2000

11 PLACE OF HEARING: Tucson, Arizona

12 ADMINISTRATIVE LAW JUDGE: Jane L. Rodda

13 APPEARANCES: Ms. Susan Gilman and Mr. Jack Huff on behalf
14 of Erikson Enterprises dba Sunizona Water
Company;

15 Mr. Narvol Dean Bales, in propria persona; and

16 Mr. Christopher Kempley, Assistant Chief
17 Counsel, Legal Division, on behalf of the
Utilities Division of the Arizona Corporation
Commission.

18 **BY THE COMMISSION:**

19 Having considered the entire record herein and being fully advised in the premises, the
20 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

21 **FINDINGS OF FACT**

22 1. Charlotte Erikson dba Erickson Enterprises/Sunizona Water Company ("Sunizona" or
23 the "Company") provides water service to approximately 33 customers in a small community known
24 as Sunizona in Cochise County, Arizona.

25 2. Narvol D. Bales has agreed to purchase the assets of Sunizona for \$30,000.

26 3. On August 11, 2000, Sunizona and Mr. Bales filed a joint application for approval to
27 sell the Company's assets and transfer its Certificate of Convenience and Necessity ("Certificate") to
28 Mr. Narvol.

4. On October 6, 2000, the Commission's Utilities Division Staff ("Staff") filed its Staff Report recommending approval of the application after a hearing.

5. Pursuant to Procedural Orders dated September 13, 2000 and September 26, 2000, a hearing on the application was held at the Commission's offices in Tucson, Arizona.

6. Sunizona mailed notice of the hearing to its customers on September 28, 2000.

7. Mr. Bales, who resides in Sunizona and is a customer of the Company, will be obtaining his license as a certified operator and will be managing the Company's daily operations. The Company's current certified operator¹ will continue with the Company until Mr. Bales has obtained the necessary certification. Mr. Bales has a background in plumbing and construction and appears to possess the skills necessary to operate the system.

8. Mr. Bales plans to operate the system as a sole proprietorship doing business as Sunizona Water Company.

9. Sunizona does not owe any refunds on main extension agreements, security deposits or meter and service line installations.

10. Sunizona is in compliance with the Commission's filing requirements and is current with its property and sales taxes.

11. Sunizona is currently delivering water that meets the quality standards of the Safe Drinking Water Act.

12. Sunizona's current rates and charges were approved in Decision No. 62578 (May 16, 2000). Staff further recommends that Mr. Bales comply with all provisions of Decision No. 62578 and that Mr. Bales charge Sunizona's existing rates and charges until further notice of the Commission.

13. Staff also recommends that the Commission defer consideration of an acquisition adjustment, if any, until Mr. Bales' next rate proceeding.

CONCLUSIONS OF LAW

1. Sunizona is a public service corporation within the meaning of Article XV of the

Mr. Jack Huff, the Company's current certified operator, has been managing the Company's operations for the owner who resides out of state. Mr. Huff has stated that he wishes to retire.

1 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

2 2. The Commission has jurisdiction over Sunizona and the subject matter of the
3 application.

4 3. Notice of the application was provided in the manner prescribed by law.

5 4. Staff's recommendations contained in Findings of Fact Nos. 12 and 13 are reasonable
6 and should be adopted.

7 5. Mr. Bales is a fit and proper entity to operate the Sunizona water system and to receive
8 a Certificate.

9 6. The sale of assets and transfer of the Certificate from Sunizona to Mr. Bales is in the
10 public interest.

11 **ORDER**

12 IT IS THEREFORE ORDERED that the joint application of Charlotte Erickson dba Erickson
13 Enterprises/Sunizona Water Company and Mr. Narvol Bales for the sale of assets and transfer of the
14 Certificate of Convenience and Necessity from Charlotte Erickson dba Erickson
15 Enterprises/Sunizona Water Company to Mr. Narvol Bales is approved.

16 IT IS FRUTHER ORDERED that Mr. Narvol Bales shall comply with all provisions of
17 Decision No. 62578 and shall charge Sunizona Water Company's existing rates and charges until
18 further order of the Commission.

19 IT IS FURTHER ORDERED that the Commission will defer consideration of an acquisition
20 adjustment, if any, until Mr. Narvol Bales' next rate proceeding.

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1 IT IS FURTHER ORDERED that Charlotte Erickson dba Erickson Enterprises/Sunizona
2 Water Company shall file written confirmation with the Commission confirming consummation of
3 the sale within 30 days of the sale's completion.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
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8 CHAIRMAN

COMMISSIONER

COMMISSIONER

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10 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
11 Secretary of the Arizona Corporation Commission, have
12 hereunto set my hand and caused the official seal of the
13 Commission to be affixed at the Capitol, in the City of Phoenix,
14 this ____ day of _____, 2000.

15 BRIAN C. McNEIL
EXECUTIVE SECRETARY

16 DISSENT _____
17 JR:dap
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1 SERVICE LIST FOR:

CHARLOTTE ERICKSON dba ERICKSON
ENTERPRISES/SUNIZONA WATER COMPANY and
MR. NORVAL BALES

3 DOCKET NOS.:

W-03912A-00-0591 and W-03843A-00-0591

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